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Foreign CROPS AND MARKETS

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FOREIGN CROPS AND MARKETS

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FRENCH EQUATORIAL AFRICA
PRODUCING MARYLAND TOBACCO

The French Tobacco Monopoly (S.E.I.T.A.) has been experimenting with, and producing, Maryland-type tobacco in French Equatorial Africa during the past 4 years, according to a recent report. Maryland-type tobacco is reportedly being produced in the 2 territories of Oubangui-Chari and the Moyen-Congo. Satisfactory results have been achieved only in the latter area. In 1955, the Bossembele station in Central Oubangui was closed because local production did not equal costs. In Western Oubangui, the small 1955 production of 169,000 pounds was marketed in the Cameroons, while Eastern Oubangui production fell from 337,300 pounds in 1953 to 115,000 pounds in 1955. In the Moyen-Congo, production of Maryland tobacco has increased at a satisfactory rate and has almost replaced native varieties, as the following table shows:

Year	Native varieties (1,000 pounds)	Maryland (1,000 pounds)	Total production (1,000 pounds)
1953	159	1,032	1,191
1954	35	1,248	1,283
1955	29	1,576	1,605

RENEWED FRENCH-BULGARIAN TRADE
AGREEMENT INCREASES TOBACCO

The Trade Agreement between France and Bulgaria was extended for another year, according to a recent report. The new agreement is valid from August 1, 1956 through July 31, 1957. The new agreement increases the quota of Bulgarian leaf, as one of the items to be exported in exchange for French commodities, from 3.6 to 4.3 million pounds. Figures covering French imports of Bulgarian leaf during the past 2 years are not available. The new agreement is automatically renewed from year to year unless one of the parties denounces it, giving notice 3 months before the expiration date.

FRENCH WEST AFRICA
RECEIVES BRAZILIAN TOBACCO

French West Africa is the recipient of $10,000 worth of Brazilian products, which includes $7,500 worth of Brazilian leaf tobacco, under the present French-Brazilian Trade Agreement. French West Africa imports are made against earnings from French exports. A French West African who wishes to import a commodity from a particular country must first negotiate a financial arrangement with a French exporter in France before he is granted an import permit.

The sale of Brazilian leaf to French West Africa may supplant United States dark types to some extent. United States dark leaf during 1956 will also face increased competition in the French West African market as imports from Italy and Nyasaland are being stepped-up, according to a recent report.

OUTPUT OF TOBACCO PRODUCTS CONTINUES UPWARD IN UNION OF SOUTH AFRICA

Output of tobacco products in the Union of South Africa continued its upward trend through 1955. Total production during 1955 amounted to 44.1 million pounds as compared with 42.5 million pounds in 1954. The output of pipe tobacco and cigarettes were 1.5 and .1 million pounds, respectively, greater than in 1954. Pipe tobacco and cigarette production in 1955 accounted for 49.0 and 50.8 percent, respectively, of total output.

CANADIAN CIGARETTE AND CIGAR CONSUMPTION RISES

Consumption of tobacco products in Canada, as indicated by the sale of excise revenue stamps, continued upward through the first half of 1956. Cigarette consumption totaled 13.4 billion pieces, 1.1 billion greater than in January-June 1955, and accounted for about 68 percent of total consumption. Consumption of cigars was about 6 percent above the January-June 1955 level of 118 million pieces. Consumption of the other products continued its gradual decline.

ISRAELI CIGARETTE OUTPUT UP 2 PERCENT

Cigarette output in Israel during the first quarter of 1956 was about 2 percent greater than the January-March 1955 level of 1.08 million pounds. Output of other products was about the same as in the January-March 1955 period, except cigars which declined about 40 percent. Cigarette production still comprises about 96 percent of total output.

IRELAND'S BUTTER STOCKS STILL ACCUMULATING

Ireland's production of creamery butter during July is reported to have been in excess of the same month last year. With stocks of domestic butter continuing to accumulate, a possible butter surplus is indicated which would have to be exported during the next 6 to 8 months.

RUSSIAN MILK DELIVERIES UP

Deliveries of milk to the Russian Government up to July 20, 1956, amount to more than 20.5 billion pounds, according to N. S. Krushchev, Communist Party Secretary-General, as reported in the August 1 issue of the agricultural paper, Sel'skoe Khozyaistov. This represents a gain of almost 60 percent in deliveries in 3 years. During the same period in 1953, deliveries to the Government were just slightly more than 13 billion pounds.

The 1953 delivery rate for the January 1-July 20 period would give an approximate annual rate of just under 24 billion pounds. Government receipts then would have been approximately 42 percent of the total of 57 billion pounds of milk estimated as produced in the Soviet Union during 1953.

PLAN FOR ARGENTINE DAIRY BOARD MEETS WITH LITTLE SUCCESS

Officials of the Argentine Government have been attempting to ease dairy producer and marketing problems through the proposed creation of a National Dairy Board, on which producers and Government departments would be represented. The members would reportedly possess fairly wide powers, such as are exercised by the National Meat Board, and would be paid from a compulsory levy on milk sales.

Announcement of the proposed plan, however, did not meet with approval from agricultural organizations. The Argentine Rural Society states that the main problem is prices, and Government interference could mean a return to "managed economy." The Confederation of Rural Societies in Santa Fe stated that the existence of free associations and cooperatives made the formation of the Board unnecessary. Similar views were expressed by dairy producer cooperatives handling a large share of marketing and processing of Argentine milk.

NEW ZEALAND LOSING ASIATIC DAIRY BUSINESS

The New Zealand Dairy Producers' Association has been told that New Zealand has been losing butter and cheese export business to countries in the Far East because of lack of refrigerating space on ships bound to Singapore, Ceylon, and Indian ports. The annual dairy conference was told by Mr. W. Marshall, Chairman, Dairy Products Marketing Commission, that measures to promote diversified markets would be futile if ships were not available. Mr. Marshall said, "There are innumerable instances in the Commission's files of orders cancelled, inquiries withdrawn, and business lost because of inadequate shipping services from New Zealand."

VENEZUELAN MILK SUPPLIERS ARGUE PRICE WITH NEW PASTEURIZING PLANT

A new pasteurizing plant (Pasteurizadora Tachira) is about to start operations in San Cristobal, Venezuela. Local consumption in San Cristobal, a city of 60,000 inhabitants, is estimated at 18,900 quarts per day. The plant will begin operations at about 25 percent of this figure but can expand daily production to 20,500 quarts.

Meanwhile, Venezuelan milk producers who will supply the plant, have voiced dissatisfaction with the producer price announced by the directors of the plant, arguing that the $6.59 for milk delivered to the plant is too far below the $9.48 received by producers in the central milk shed. In addition, the central milk shed producers receive a $1.98 per cwt. subsidy which the San Cristobal suppliers apparently will not get. The dairy, however, argues that in Venezuela's largest milk producing area, the State of Zulia, producers receive $5.27 per cwt., and while some dairymen supplying the San Cristobal market presently receive $9.88 per cwt., there are others selling milk for $5.37 per cwt.

No settlement of the dispute has yet been reported.

NEW ZEALAND COMPLETES DAIRY YEAR

During the 1955 - 56 season (ending June 30) butter fat used by New Zealand dairy plants in the manufacture of butter, cheese and other whole milk dairy products totaled 464.9 million pounds. This quantity was 5.1 percent above 1954 - 55, but 1.3 percent below the record of 471.0 million pounds utilized in the 1952 - 53 season.

The season started slowly, but due to an excellent spring, production picked up rapidly. Dry conditions in mid-summer resulted in a slight setback, but favorable conditions in the autumn, particularly in the major dairy districts of North Island, brought about a good recovery and production held up well to the end of the season.

Recent reports indicate that the new season has started off satisfactorily in the main dairy districts of North Island and that production is running ahead of last year. While feed conditions are generally good, excessive rain, together with some flooding, has retarded pasture growth in some areas.

MILK PRODUCTION UP IN NORTHERN RHODESIA

Milk production continued to increase in Northern Rhodesia during 1955, according to the Veterinary Services. This is the second consecutive year of a reported milk production increase from the 72 million pounds estimated for 1953. The gain was accomplished at the same time a leveling off tendency was reported between summer and winter milk production.

At the present time, the milk production available to the Cooperative Creameries exceeds the distribution facilities of the creameries. New 500-gallon insulated tanks have been received and their use has improved the quality and quantity of milk available in the Copperbelt area; a new plant is planned for this area in the immediate future, but in the meantime milk from the Copperbelt will be transported by tanks to processing plants elsewhere.

Part of the reason for the increased milk production was attributed to the availability of dairy cows from the Union of South Africa and their importation by Rhodesian farmers.

INCREASE IN PAKISTAN'S 1955-56 COTTON CROP

The Government of Pakistan has reported the 1955-56 cotton acreage at 3,537,000 acres and production at 1,420,000 bales (500 pounds gross) in the fifth and final estimate for the season. These figures represent an increase over earlier estimates, and compare with the area of 3,185,000 acres and production of 1,300,000 bales for the 1954-55 crop. The increase of 11 percent in area and 9 percent in production over 1954-55 occurred in West Pakistan, and is attributed to favorable weather in some areas, high prices at planting time, and the Grow More Cotton Campaign.

The area under American varieties increased by 13 percent, and that under Desi varieties by 1 percent. Comparison with last year's final estimate is as follows:

PAKISTAN: Cotton acreage and production by types, crop years 1954-55 and 1955-56

Type	Acreage		Production 1/	
	1954-55	1955-56	1954-55	1955-56
	- 1,000 acres -		- 1,000 bales -	
American	2,616	2,960	1,110	1,226
Desi	569	577	190	194
Total	3,185	3,537	1,300	1,420

1/ Bales of 500 pounds gross.

U. K. COTTON IMPORTS IMPROVE IN MAY AND JUNE

Cotton imports into the United Kingdom during May and June 1956 amounted to 272,000 bales (500 pounds gross) as compared with 191,000 bales imported in the same months of 1955. The 11-month total of 1,339,000 bales imported during August-June 1955-56 was only 4 percent below the 1,392,000 bales imported in the comparable period of 1954-55. Imports during the early part of the 1955-56 season were considerably below the previous year. The recent upturn has been general, with increased quantities shown for many of the supplying countries.

Quantities imported from major sources in August-June 1955-56, with comparable 1954-55 figures in parentheses were: United States 262,000 (507,000); Sudan 216,000 (106,000); Nigeria 148,000 (107,000); Brazil 105,000 (123,000); India 72,000 (21,000); Peru 72,000 (40,000); U.S.S.R. 72,000 (103,000); Mexico 64,000 (40,000); Pakistan 54,000 (56,000); Egypt 47,000 (66,000); Syria 36,000 (47,000); Iran 24,000 (14,000); and Uganda 19,000 (17,000).

Cotton consumption in the United Kingdom amounted to 1,315,000 bales in August-May 1955-56, a decline of 13 percent from the 1,517,000 bales consumed in the same months of 1954-55. Preliminary estimates for June indicate about the same volume as in May, but a sharp seasonal drop is anticipated in July when annual vacations in Lancashire cotton centers begin. The hand-to-mouth buying of cotton goods, which has been largely due to uncertainty about the future price of raw material and domestic economic policy regarding textile imports, is expected to continue.

Cotton stocks at the end of May were very low, amounting to only 406,000 bales or about 35 percent lower than stocks of 625,000 bales a year earlier.

UGANDA DEVELOPING NEW BREED OF COTTON

The Uganda Cotton Research Station at Namulonge, near Kampala, has evolved a new strain of BP52 cotton (called NC55/Q) which is said to be able to compete on equal terms with high-quality Egyptian Ashmouni cotton. It is estimated that it will be at least 5 years, however, before large-scale production can be accomplished.

PHILIPPINE PRODUCTION OF COCONUT PRODUCTS
SEEN UP SUBSTANTIALLY IN 1956

The present outlook for Philippine production of coconut products in 1956 is for a substantial increase from 1955. If the supply and demand situation continues good and no destructive typhoons occur, the total volume of copra and coconut oil exports may approach or equal the record volume of over a million long tons copra equivalent basis shipped in 1947. With production for the first 6 months of 1956 about 30 percent above the comparable period of 1955, output for the year should be at least 20 percent greater than last year. Assuming shipping space is available, the country is in a good position to supply copra should there be increased demand.

Production of copra and coconut oil in terms of copra equivalent during the second quarter of the current year totaled 306,662 tons. While this was about the same as output in the first quarter, the total for January-June at 608,729 tons was almost one-third larger than in the comparable period of 1955.

Table 1 - PHILIPPINE REPUBLIC: Copra and coconut oil production in copra equivalent, average 1947-51, annual 1953-55 and January-June 1955-56

(Long tons)

	Average 1947-51	1953	1954	1955 1/	January-June 1/ 1955	January-June 1/ 1956
Exports:						
Copra	720,487	592,267	758,002	814,145	344,032	448,909
Coconut oil as copra 2/	87,517	94,586	104,337	117,102	53,293	73,926
Total as copra	808,004	686,853	862,339	931,247	397,325	522,835
Domestic utilization:						
Coconut oil as copra 2/	89,035	124,713	139,868	146,889	73,444	85,894
Total production as copra 3/	897,039	811,566	1,002,207	1,078,136	470,769	608,729

1/ Preliminary. 2/ Computed at 63 percent oil extraction rate. 3/ Excluding coconut utilized in making of home-made oil and native culinary preparation.

Source: Philippine trade.

Table 2 - PHILIPPINE REPUBLIC: Copra exports, average 1935-39, annual 1953-55 and January-June 1955-56.

(Long tons)

Country	Average 1935-39	1953	1954	1955 1/	January-June 1955 1/	January-June 1956 1/
America:						
U.S. and territories	206,801	308,887	292,482	305,665	151,678	131,862
Canada	0	10,250	16,950	5,950	2,000	2,000
Colombia	0	20,699	34,037	58,877	30,803	34,150
Mexico	7,260	0	0	0	0	0
Panama Canal Zone	0	0	1,019	200	200	0
Venezuela	0	20,678	28,032	23,621	10,068	7,065
Asia:						
Japan	1,047	0	0	3,921	0	0
Israel	0	12,300	3,300	9,000	5,300	5,450
Europe:						
Belgium	10	26,011	16,200	11,850	1,000	7,000
Denmark	6,025	38,850	29,200	26,650	9,400	12,500
France	24,589	0	0	1,000	0	0
Western Germany	2/ 7,309	20,307	41,000	33,040	9,000	25,175
Italy	4,079	23,700	15,750	11,900	6,500	0
Netherlands	28,415	71,091	155,855	189,820	64,050	132,782
Norway	91	13,127	18,569	10,000	8,500	3,000
Sweden	4,163	2,450	6,500	32,000	9,000	22,300
Switzerland	0	1,000	0	0	0	0
United Kingdom	80	0	0	0	0	0
Others 3/	9,969	22,917	99,108	90,651	36,533	65,625
Total	299,838	592,267	758,002	814,145	344,032	448,909

1/ Preliminary. 2/ Total Germany. 3/ Including South America unspecified.

Source: Data for 1935-39 from the Philippine Bureau of the Census and Statistics. Data for 1953-56 from Philippine trade sources.

Coconut oil production during the second quarter amounted to 49,657 tons, bringing the 6-month total to 100,687 tons. This is an increase of one-fourth from the same period of 1955. Copra cake and meal production during January-June 1956 was 51,143 tons.

Exports of copra and coconut oil through June totaled 522,835 tons, copra equivalent basis, or one-third more than exports in the same period of 1955. Copra exports as such were 448,909 tons and coconut oil 46,574 tons, increases of 30 and 39 percent respectively, from last year. Through July the Philippines exported 520,016 tons of copra and 57,635 tons of coconut oil. (See Foreign Crops and Markets, August 20, 1956.) Whereas the United States for years has been the major market for Philippine copra, Western Europe became the major destination during the first half of 1956. Copra shipments to the United States dropped 13 percent from 1955. Moreover, no shipments have been made to Gulf ports since the 1,807 tons shipped in January, whereas annual shipments in recent years amounted to 20,000 to 35,000 tons. All shipments of copra to Gulf ports were destined for one factory which closed in February. Coconut oil exports to the United States at 36,851 tons January through June were 10 percent larger than last year.

Table 3 - PHILIPPINE REPUBLIC: Coconut oil exports, average 1935-39, annual 1953-55 and January-June 1955-56

(Long tons)

Country	Average 1935-39	1953	1954	1955 1/	January-June	
					1955 1/	1956 1/
America:						
United States	155,358	56,734	64,294	69,451	33,274	36,851
Canada	1,885	0	0	0	0	0
Cuba	290	0	300	900	300	299
Africa:						
South Africa	0	255	638	0	0	0
Europe:						
Western Germany	2/ 660	0	-	458	0	2,509
Netherlands	727	3/ 486	-	412	0	2,542
Europe Unspecified	461	0	500	4/2,425	0	5/4,105
Others:	2,366	1,114	0	128	0	268
Total	161,747	58,589	65,732	73,774	33,574	46,574

1/ Preliminary. 2/ Total Germany. 3/ Including Belgium 4/ Including 656 tons to the United Kingdom. 5/ Including 105 tons to Belgium.

Source: Data for 1935-39 from the Philippine Bureau of the Census and Statistics. Data for 1953-56 from Philippine trade sources.

Production of desiccated coconut increased slightly in the second quarter, bringing the total for the first half of the year to 16,873 tons, compared with 16,523 tons in the first half of 1955.

Practically all of the desiccated coconut shipped during January-June--15,775 tons--came to the United States. Europe took 73 percent of the 22,702 tons of copra cake and meal exported and the United States took 23 percent.

Copra export prices averaged $157.20 per short ton, c.i.f. Pacific Coast during the second quarter compared with $148.40 in the first quarter and $157.30 in the second quarter of 1955. From a yearly high of $168.50 in early May, however, prices declined to $146.00 in mid-June but increased again to $152.50 by mid-August. Coconut oil prices averaged 11.62 cents per pound, f.o.b. tank cars, Pacific Coast, in the second quarter compared with 10.62 cents in the first quarter and 11.38 cents in the second quarter of 1955.

DANISH GRASS SEED PRICE INCREASES REFLECT SMALLER HARVEST

Current wholesale seed prices in Denmark reflect to a considerable extent the smaller harvests in several European countries. A severe winter, a cold backward spring and insufficient moisture materially reduced production of a number of important grasses. Large carry-over stocks of ryegrasses more than offset the smaller production and prices have shown little change. Clover seed production is very short and prices have been showing a strong upward turn. However, there was a substantial carry-over of French red clover and red clover prices have not shown the same strength as white clover.

DENMARK: Grass and Legume seeds wholesale prices, December 28, 1955 through August 11, 1956 (dollars per hundred pounds)

Kind of Seed	Dec. 28	March 10	April 14	Aug. 11
Orchard grass	13.30	16.91	16.75	25.29
Meadow fescue	8.04	11.66	11.50	13.83
Perennial ryegrass, early	10.57	13.30	12.64	12.65
Perennial ryegrass, late	10.84	13.14	12.48	13.80
Italian ryegrass	8.87	11.98	11.33	11.66
Danish bluegrass	24.63	25.95	26.28	42.39
Kentucky bluegrass	45.99	45.98	45.98	64.08
Red fescue	12.15	17.57	17.74	29.91
Red clover, semi-late	33.50	35.30	38.92	49.29
White clover	52.83	64.37	64.05	77.23
Black medic, trefoil	16.25	16.91	16.75	26.29

TRANSSHIPMENTS OF MEXICAN COTTON UP SHARPLY

Transshipments of Mexican cotton through United States ports in June 1956 amounted to 45,000 bales (500 pounds gross) as compared with 50,000 bales in May, and 33,000 in June 1955. These figures include cotton, cotton linters, waste, and hull fiber. They do not include cotton exported directly from Mexican ports to foreign destinations or rail shipments to Canada.

Transshipments during the 11-month period, August-June 1955-56, amounted to 1,259,000 bales or 43 percent more than transshipments of 878,000 bales in the corresponding months of 1954-55. Increased quantities were reported for nearly all countries with the exception of Japan.

Principal destinations of Mexican transshipments in August-June 1955-56, with comparable figures for 1954-55 in parentheses were: Japan 279,000 bales (326,000); Western Germany 270,000 (119,000); United Kingdom 180,000 (106,000); Netherlands 133,000 (102,000); Belgium 108,000 (113,000); Italy 68,000 (19,000); Sweden 56,000 (23,000); Australia 27,000 (158); France 24,000 (15,000); and Switzerland 21,000 (22,000).

AUSTRALIAN STRINGLESS SNAP BEAN SEED PRODUCTION DOWN 50 PERCENT

Heavy rains and prolonged wet weather for the second year in succession drastically reduced production of Australian stringless snap bean seed production. The production of certified seed is estimated at not more than 50 percent of the 1955 crop. This is likely to result in a demand for certified disease free seed from the United States.

MOZAMBIQUE EXPORTS INCREASE IN FIRST SIX MONTHS OF 1956

The value of Mozambique 1956 exports for the first half of 1956 increased slightly over the same period of 1955 according to analysis of preliminary statistics. Exports of sugar, copra and sisal increased in terms of both tonnage and value. Tea shipments increased about one-fourth by weight, but decreased by about 25 percent in value because of lower prices. The United States ranked sixth as an export market for Mozambique's products, after Portugal, India, United Kingdom, Union of South Africa and France.

EUROPEAN DRY PEA
CROP DAMAGED

Reduced production and damage to quality of 1956 crop dry edible peas is reported in France and French Morocco. Reasons for the situation in French Morocco have not been reported, but unfavorable harvest weather has damaged peas as well as other crops in France and over much of Western Europe.

Damage to peas in the Netherlands, the United Kingdom and Belgium was previously reported in this publication. (See Foreign Crops and Markets, August 20 and September 3.) Apparently the damage centered in the Netherlands where the official weather report states that this has been the worst summer in 100 years. There were less than 70 hours of sunny weather in that country in August--a month of harvest--compared to a normal of 120 to 140 hours.

In Sweden, the 1956 pea crop apparently escaped damage and may total as much as 640,000 bags, compared with 240,000 in 1955. The 1950-54 average production was 640,000 bags.

Neither the size of the crop nor extent of damage has been reported from North Africa nor from European countries other than Sweden. The relative importance of dry pea production and trade in these several countries, however, may be gauged from the following figures:

Peas, dry, edible: Production and trade in Western Europe and French Morocco, five-year average, 1950-54

Country	Production	Imports	Exports
	(1,000 bags of 100 pounds)		
Belgium	400	210	1,179
Finland	268	36	Neg.
France	778	334	160
Germany, Western	362	835	29
Italy	271	97	8
Netherlands	1,754	468	1,037
Spain	438	10	Neg.
Sweden	641	9	86
United Kingdom	1,996	679	Neg.
French Morocco	822	11	64

MEDITERRANEAN ALMOND CROP SMALLEST ON RECORD

Late-August forecasts from the main producing countries indicate the smallest Mediterranean almond crop in the 26 years for which records are available. A 1956 commercial production of only 40,200 short tons, shelled basis, is expected. This is 6,000 tons less than last year's record-small harvest, and 40,500 tons less than the average production of 80,700 tons. Freezes this spring caused heavy damage to the almond crop in virtually every Mediterranean country.

ALMONDS, shelled: Estimated commercial production in specified countries, 1956 forecast with comparisons

Country	Average 1949-53	1953	1954	1955	1956 1/
	- - - - - - Short tons - - - - - -				
France	1,100	2,200	1,000	2/	2/
French Morocco	3,000	3,300	4,200	3,300	3,800
Iran	7,400	6,600	8,800	4,400	5,000
Italy	37,500	38,300	34,200	20,900	12,000
Portugal	5,100	6,600	6,000	3,400	2,400
Spain	26,600	28,000	19,500	13,200	16,000
Foreign Total	80,700	85,000	73,700	46,200	40,200
United States (Unshelled basis)	39,700	38,600	43,200	38,300	48,000

1/ Preliminary.
2/ Not available. Assumed at 1,000 tons for inclusion in foreign total.

MEXICO'S WOOL IMPORTS INCREASE DURING FIRST HALF OF 1956

Mexico imported 6.2 million pounds of raw wool during January-June 1956 compared with 4.8 million pounds in the comparable period of a year earlier. Total imports for 1956 are expected to be at least 10 percent larger than the 8.9 million pounds imported in 1955. Australia supplies most of Mexico's import requirements of wool.

Wool imports have now become the second highest in total value of all agricultural imports entering Mexico. The government has developed a program to increase domestic wool production by the importation of 40,000 Rambouillet breeding stock from the United States. Although these sheep are widely distributed throughout the country, the majority are being located in the traditional wool producing districts of Durango and Chihuahua.

GERMANY OFFERS TO BUY U. S. FATBACKS WITH FREE DOLLARS

The government of West Germany on August 18 issued a free dollar tender for the importation of fatbacks from the United States. Formerly purchases of fatbacks were controlled under the so called "Weichwaren plan." Under that arrangement such an item could be purchased only with dollars derived from sales of domestically produced meat to commissaries of the United States' Armed Forces in West Germany. Formerly imports were made with dollars purchased at a premium of about 12 to 14 percent.

Under the free dollar tender United States' fatbacks may be brought into West Germany at lower prices and will therefore be able to compete more favorably with imports from other European countries. It is also possible for a larger quantity of exports to be made from the United States, as under the previous arrangement there was a distinct limit on the amount of dollars that could be used for the purchase of fatbacks. The West German government, however, did not announce the total value of products which may be imported from the United States under the tender.

Western Germany is the largest export market for American fatbacks. U. S. exports to Germany during 1955 totaled 13.4 million pounds compared with 11.3 million in 1954and 34.1 million in 1953. According to German trade statistics imports from the United States in January-April 1956 totaled 7.3 million pounds. During the 4-month period Germany's imports totaled 23.5 million pounds. France supplied 6.8 million, the Netherlands 4.6 million, Belgium 3.6 million and Italy 1.2 million pounds.

In early 1956, larger quantities of fatbacks were required to meet the strong demand. Prices of imported fatbacks were low compared with domestic slaughter fats and locally produced fatbacks.

During early 1956 the Federal Ministry imported a large number of hog sides for storage in anticipation of a reduction in hog slaughter of 400,000 to 500,000 head this summer and fall, compared with a year earlier. In mid-July there were around 200,000 of these hog carcasses in storage which about utilized all available storage space.

At the present time German firms have almost stopped importing variety meats from the United States pending a decision in regard to continuation of these products under the "Weichwaren plan" or under some other arrangement. During January-May German imports of variety meats were slightly greater than a year earlier. The United States supplied over 50 percent of the imports. Denmark and Holland were the other major sources.

ECUADOR RESTRICTS U. S. LARD IMPORTS BY HIGH TARIFF BUT INCREASES TALLOW IMPORTS

United States exports of inedible tallows and greases to Ecuador in the first half of 1956 totaled 5.5 million pounds compared with 3.8 million a year earlier. However, there were no exports of lard in the first half of 1956 because of the excessively high import duties on this product. Ecuador imported 2.8 million pounds of U. S. lard in 1955 and most of this was brought in during the first half of the year. As late as 1953 Ecuador imported 12.1 million pounds of lard from the United States.

In March 1956 new tariff rates for lard and tallows became effective in Ecuador. The current import duty on tallow and greases valued at 10 cents per pound f.o.b. Ecuador is over 2 cents per pound. The import duty on one pound of lard worth 15 cents is 28 cents. The very large import duty on lard therefore is virtually closing off this market to U. S. producers. The high duties on tallows and greases are also limiting the export market for those products.

Ecuador is deficient in fats and oils and prices of these products are relatively high. Imports of inedible tallows and greases supply a large part of the nation's requirements for these products. The United States is usually the largest supplier. Western Germany was the second largest supplier in 1956. Smaller quantities were imported from Norway, Denmark, Holland and Canada.

United States Exports of Lard and Inedible Tallows and Greases to Ecuador 1953-55 and Jan.-June 1955 and 1956

Item	Year			Jan.-June	
	1953	1954	1955	1955	1956
	- - - - - Mil. Lb. - - - - -				
Inedible tallows and greases	7.3	8.4	7.6	3.8	5.5
Lard	12.1	9.0	2.8	2.6	-

CUBA IMPORTS RECORD QUANTITIES OF PORK
BUT DOMESTIC BEEF SUPPLIES ADEQUATE

Cuba's imports of pork in 1956 will probably exceed the record quantities received in 1955 by a considerable margin. Stimulated by low prices, imports during the first half of 1956 were a-fifth larger than a year earlier. During April-June Cuban imports of cured pork reached 9 million pounds, 10 percent more than a year earlier. All but a small portion of the imports were from the United States. The imports probably accounted for more than one-seventh of Cuba's total pork supplies during the period.

Commercial hog slaughter in Cuba may increase slightly this year with most of the increase coming from large-scale farms using improved hogs. During the second quarter of 1956 Cuban breeders imported 200 head of Duroc and Poland China hogs from the United States.

Cattle numbers are increasing in Cuba and cattle slaughter has increased slightly this year. There has been little demand for high-quality beef from the United States and there has not been a need to import beef from other countries.

Large numbers of breeding cattle from the United States continue to be imported by Cuba. About 2,200 head were imported in April-June 1956. About half of the total was dairy cattle consisting mostly of the Holstein and Brown Swiss breeds. Most of the beef types brought in were Brahmans and Santa Gertrudis.

MEXICO'S IMPORT OF LARD DROP
DRASTICALLY WHILE TALLOW RISES

Exports of U. S. lard to Mexico in the first half of 1956 were 28 percent smaller than a year earlier, but exports of inedible tallows and greases were 13 percent greater than a year ago. Mexican production of lard and tallow has increased moderately. However, the modest increase in output indicates a continuous need for large imports of these products, otherwise, there will be a substitution of vegetable oils for a larger share of the nation's requirements.

Current wholesale prices point to the large potential market for U. S. lard, tallows and greases. Imports of these products, however, are restricted by controls of the Mexican government and prices are high in relation to domestically produced cottonseed oil. In mid-July at Mexico city lard in bulk lots at wholesale was quoted at the equivalent of around 20 cents per pound, domestic bulk tallow at 10.5 cents, white grease 15.5 cents and crude cottonseed oil 13 cents.

Practically all of the lard, inedible tallow and animal greases imported by Mexico in the first half of 1956 originated in the United States.

United States Exports of Lard and Inedible Tallows and Greases to Mexico, 1953-55 and Jan.-June 1955 and 1956

Item	Year			Jan.-June	
	1953	1954	1955	1955	1956
			Mil.Lb.		
Lard	40.0	30.7	19.9	12.7	9.2
Inedible tallows and greases	45.9	46.3	52.3	23.1	26.1

ANOTHER LARGE WHEAT CROP IN PROSPECT FOR NORTHERN HEMISPHERE

The 1956 wheat crop in the Northern Hemisphere may be as large or even larger than the near-record 1955 production, according to preliminary information available to the Foreign Agricultural Service. Since the Northern Hemisphere accounts for more than 90 percent of the world wheat production, this is a good indication of the total outturn that may be expected in 1956. World production in 1955 was estimated at 6,190 million bushels. The outlook for the Southern Hemisphere is varied, with favorable prospects for Argentina offset by unfavorable conditions in Australia.

The present outlook in North America is for a slightly larger total than in 1955. The European total will be considerably less than in 1955, mainly because of the sharp reduction in France. Smaller, though significant reductions are also reported for Italy and Eastern European countries. The reductions in Europe, however, are offset by a substantial increase expected for the Soviet Union. A net increase is indicated for Asia, on the basis of reports to date. A moderate increase is also reported for the countries of northern Africa.

In North America a slightly larger total than in 1955 results from increases in Canada and Mexico. The United States is estimated to be at the 1955 level, which was 18 percent below the average of the previous 10 years. Smaller yields than last year are offset by an increase in acreage. Canada's wheat outturn appears likely to be moderately above that of last year, despite a slightly reduced acreage. The crop in Mexico is reported at a new record high.

The outlook for the wheat crop in western Europe, including Yugoslavia, varies considerably, but increases in some countries, especially the United Kingdom and the Iberian Peninsula, fall far short of offsetting the sharp loss in France and substantial reductions reported for Italy, Western Germany and Yugoslavia.

Though it is too early for an accurate estimate of the harvest in France, trade estimates place the crop at 220-260 million bushels, contrasting with the record production of about 390 million bushels last year. The tentative forecast of the Minister of Agriculture places the outturn at an even lower level than the trade estimates. Sharp losses from the extreme weather of the past winter reduced official acreage estimates to 6.7 million acres, compared with 11.2 million a year ago. A substantial part of the damaged wheat acreage was re-seeded to barley and a smaller part to oats and other crops. Whereas wheat will have to be imported and wheat exports curtailed, feed supplies will be ample, with a substantial supply of barley available for export.

Wheat production in Western Germany is expected to be below the bumper crop of 1955 though still sharply above average. Unfavorable weather has delayed the harvest by 2-3 weeks in many areas of the country, and storms during July and August flattened the grain and caused considerable lodging in some regions. At latest report, however, it was stated that if the weather was favorable for the remainder of the season no serious over-all reduction would be expected. Excessive rains could be expected to affect quality more than quantity of the grain.

Preliminary estimates place the crop in Italy at least 10 percent below the record harvest of 1955. Weather conditions were favorable, on the whole, and harvesting was completed on schedule. Relatively large carry-over stocks bring supplies to a high level, but supplies of durum wheat are below domestic requirements, and imports of durum are planned to meet the needs of the pasta industry. The Italian Government also hopes to increase the collections of durum through its plan to exchange soft wheat for durum under the quota to be retained for growers' consumption. This provides for trading a ratio of 5.1 bushels of soft wheat for each 3.7 bushels of a grower's durum. Efforts are also to be made to export about half of the soft wheat making up carry-over stocks.

Unfavorable weather delayed harvesting in the Low Countries. In Belgium the wheat harvest will be generally late by 3 to 4 weeks and the total outturn is expected to be about 20 percent below the 1955 harvest. Factors accounting for the reduction include damage to winter wheat as a result of the severe winter and unfavorable weather conditions throughout the growing season. Weather conditions have also been unfavorable in the Netherlands and the wheat crop is expected to be somewhat smaller than in 1955. Excessive rains during most of the growing season and all of the harvest season reduced crop prospects and delayed harvesting about 3 weeks.

The crop in Spain is estimated to be slightly larger than in 1955 and with the carry-over, will be sufficient to meet normal domestic requirements. Production in Portugal is estimated to be sharply above the small 1955 crop and also somewhat above average.

Wheat production in Greece is estimated to be one of the largest of record. This is the fourth successive large crop for this county. The outlook for wheat in Scandinavia is considerably better than in 1955. Prospects are better for each of the countries but especially for Sweden, where production is expected to be about 25 percent above the small crop last year. The quality of the winter wheat, however, is expected to be below normal. Part of the excess over domestic requirements will be used to help build up depleted stocks.

The wheat harvest in the United Kingdom is tentatively estimated to be 10 percent above the large 1955 harvest. This, if achieved, will be the largest wheat crop of record. The quality of the crop, however, is expected to be lower than in 1955. Cool, wet weather has been an unfavorable factor as have heavy winds. Harvesting is generally 2 to 3 weeks late. Wheat acreage is the third largest since the war.

Wheat production in Yugoslavia will be considerably less than in 1955 mainly because of excessively wet weather last fall, which prevented seeding the usual acreage of winter grain. Normally about 95 percent of the wheat crop is fall sown. The shortfall of winter wheat acreage this season occurred in areas not adapted to spring wheat. This acreage was largely seeded to coarse grains in the spring. Excessive wetness during late winter and spring reduced yield prospects. As a result of the reduced crop, wheat import requirements are estimated to be about 35 percent above the substantial requirements for the 1955-56 season. Conditions in other Danube Basin and Central European countries are also less favorable than in 1955.

Preliminary information points to a larger wheat harvest in the Soviet Union again this season. A substantial increase reported in spring wheat acreage was partly offset by heavy winter kill, leaving a net increase of around 5 million acres. Yields on harvested acreage appear around average in the winter wheat belt, but are considerably better than last year's poor yield in the spring wheat belt, including the so-called new lands. However, considerable harvesting and storage difficulties are reported, particularly in the spring wheat regions, which may reduce the actual outturn harvested.

The wheat crop of Asia is expected to be at least as large as the record harvest of 1955. Moderate reductions in some countries are offset by substantial increases in others, especially in Pakistan, Syria and Iraq. Production in those countries was much below usual last year because of drought damage.

Africa's wheat crop is somewhat larger than it was last year, on the basis of present information. All reporting countries of Northern Hemisphere Africa show increases over the 1955 production. Production in Algeria is placed at an all-time high figure despite a small reduction from last year's acreage. The quality of the grain is also reported to be better than that of the past 2 years. Slight increases in the harvest for French Morocco and Tunisia are also reported. Production in Tunisia was less than earlier season expectations, because of substantial damage to the crop by heavy frost in early April. As the season advanced, it became apparent that damage was greater than had been believed. A moderate increase in Egypt's crop is attributed to slight increases in both acreage and yields.

FRENCH EXPORTS OF PROCESSED CHERRIES
SHOW INCREASE IN 1956

Despite a somewhat smaller crop, processed cherries exported from France in the first 6 months of 1956 were 26 percent larger than in the corresponding period of 1955.

Exports of sugar-candied fruit, fruit peel and parts of plants (drained, glace, and crystallized) 1/

Country of destination	First six months 1955	First six months 1956
	- - - - - Short tons - - - - -	
United States	1,024	1,191
Germany, Western	31	35
United Kingdom	1,597	2,373
Ireland	110	64
Switzerland	2/	30
Belgium-Luxembourg	2/	32
Union of South Africa	162	132
Canada	135	103
Other	260	209
Total exports	3,319	4,169
Exports to foreign countries	3,194	4,075
Exports to French territories	125	94

1/ Approximately 95 percent of this category is processed cherries; however, a separate breakdown is not available.
2/ Not available.

CANADA EXPECTS RECORD FLAXSEED CROP

Canada's 1956 flaxseed production is expected to reach an all-time high of 37,299,000 bushels, according to the first official forecast of the Dominion Bureau of Statistics. From record plantings of 3,141,000 acres this volume of output indicates an average yield of 11.9 bushels per acre, the highest since 1915 when the average was 13.3 bushels. Moreover, this volume of production would represent an increase of almost 75 percent from the 1955 harvest of 21,498,000 bushels and an increase of over 40 percent from the previous high of 26,130,000 bushels produced in 1912.

ISRAELI CITRUS EXPORT
PROSPECTS FOR THE
COMING SEASON

The Director General of the Israel Citrus Marketing Board has announced that the picking season will begin November 11, since regulations of the Israeli Government prohibit shipment of fruit before November 25.

Prolonged heat waves in August are not thought to have had much effect on the citrus groves, except perhaps a slight advance in the maturity of the fruit. Quality of the fruit is dependent on the early winter rains in October.

The Citrus Board estimates that export shipments of citrus fruit during the coming season will reach just under 8 million cases. Exports of Jaffas, the principal variety of oranges grown in Israel, are expected to decrease 10 percent below last year's exports of 5.5 million cases. The estimate of total citrus exports includes over 1 million cases of grapefruit and 250,000 cases of lemons.

Mechanization of the citrus industry has been completed and a network of centralized large packing houses will replace the numerous small hand-worked packing houses this season. The new packing plants are equipped with modern machinery with fruit being cleaned, washed, disinfected, waxed and graded on conveyor belts. The actual packing, nailing and strapping of cases is also done by machine.

First effects of the new citrus plantation program are expected to be noticed in the 1958-59 season when the groves planted in 1952 come into bearing. By 1961-62, Israeli citrus exports will be nearly doubled and will reach 12-14 million cases.

SPANISH CITRUS CROP SUFFERS
FURTHER FROM UNFAVORABLE
WEATHER

Citrus crop prospects in the Valencia area have been further decreased by unfavorable weather throughout the summer. An intense heat wave with temperatures upwards of 100° Fahrenheit continues with strong southern winds from the Sahara having an adverse effect on agriculture. Some areas in northern Valencia have also suffered from short but severe hailstones.

Unofficial estimates of the sweet orange crop by areas, are as follows: Valencia region, 75 percent below normal; Murcia region, 60-70 percent below normal; and the Almeria region, about normal.

ARGENTINA MARKETS LARGER
VOLUME OF CATTLE

The 3rd sentence of the Argentina livestock story on page 11 of the August 20 issue of Foreign Crops and Markets should have read:

Lack of interest in expanding cattle herds has led to increased marketings of young stock.

PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

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An Evaluation of the Spanish Citrus Freeze of 1956 and its Relation to United States Citrus Export Prospects. Foreign Agriculture Circular FCF 6-56

World Carpet Wool Situation in 1956. Foreign Agriculture Circular FW 4-56

Sale of Tobacco and Tobacco Market Development Projects under Public Law 480 as of June 30, 1956. Foreign Agriculture Circular FT 9-56